



STATE MORTGAGE & INVESTMENT BANK

FINANCIAL STATEMENTS

For The Year Ended 31st December 2021

ICRA Issuer Rating [SL] BBB+ Stable

INCOME STATEMENT		Rs 'Mn	
FOR THE YEAR ENDED 31 ST DECEMBER 2021			
	2021	2020	
Interest income	5,251	6,077	
Interest expenses	(2,951)	(3,960)	
Net interest income	2,300	2,116	
Fee and commission income	142	148	
Fee and commission expenses	-	-	
Net fee and commission income	142	148	
Net Fair Value Gains/(Losses) from FA at FVPL	4	2	
Net other operating income (net)	29	34	
Total operating income	2,475	2,300	
Impairment Charges	(158)	(270)	
Net operating income	2,317	2,030	
Personnel expenses	(1,073)	(873)	
Depreciation and amortization expenses	(100)	(53)	
Other expenses	(331)	(314)	
Operating profit/(loss) before VAT,NBT & DRL	813	790	
Value added tax (VAT) on financial services	(237)	(218)	
Debt Repayment Levy (DRL)	-	-	
Nation Building Tax (NBT)	-	-	
Profit/(loss) before tax	576	572	
Income Tax expenses	(199)	(216)	
Profit/(loss) for the Year	376	356	

STATEMENT OF COMPREHENSIVE INCOME		Rs 'Mn	
FOR THE PERIOD ENDED 31 ST DECEMBER 2021			
	2021	2020	
Profit/(loss) for the Year	376	356	
Items that will be reclassified to income statement			
Gains and Losses on Re-Measuring Financial Assets	-	-	
Items that will not be reclassified to income statement			
Re-measurement of post-employment benefit obligations	13	(25)	
Deferred Tax effect on Actuarial Gains/Losses on defined benefit obligations	3	7	
Total comprehensive income for the period	387	338	

STATEMENT OF FINANCIAL POSITION		Rs 'Mn	
As at 31 ST DECEMBER 2021			
	2021	2020	
Assets			
Cash and cash equivalents	144	196	
Placements with Banks	11,779	11,812	
Financial Assets - FVPL	25	21	
Financial Assets - AC			
- Loans and Advances	38,266	36,857	
- Debt and Other Instruments	1,992	2,415	
Financial Assets - FVOCI	5	5	
Property, plant and equipment	56	52	
Right-of-use Assets	109	104	
Deferred tax assets	173	235	
Other assets	918	1,105	
Total assets	53,467	52,802	
Liabilities			
Due to banks	31	67	
Financial Liabilities at Amortised Cost			
- Due to Depositors	45,738	45,388	
- Due to Debt Securities Holders	-	-	
- Due to Other Borrowers	270	348	
Employee Benefit Liability	438	449	
Other Liabilities	583	529	
Total liabilities	47,060	46,782	
Equity			
Stated Capital/Assigned Capital	890	890	
Statutory Reserve Fund	303	284	
Retained Earnings	4,137	3,768	
Other Reserves	1,078	1,078	
Total equity	6,407	6,020	
Total equity and liabilities	53,467	52,802	
Contingent Liabilities and Commitments	127	88	

STATEMENT OF CASH FLOWS		Rs 'Mn	
FOR THE PERIOD ENDED 31 ST DECEMBER 2021			
	2021	2020	
Cash Flows from Operating Activities			
Interest Received	4,704	4,340	
Interest Payments	(2,900)	(3,524)	
Net commission receipts	142	143	
Payments to Employees	(861)	(777)	
VAT, DLR & NBT on financial services	(263)	(215)	
Receipts from Other Operating Activities	5	5	
Payments on Other Operating Activities	(237)	(301)	
Operating Profit before Changes in Operating Assets (Increase)/ Decrease in Operating Assets	590	(328)	
Financial assets at amortised cost - loans & advances	(1,613)	(1,154)	
Other assets	351	105	
Increase/ (Decrease) in Operating Liabilities	(1,262)	(1,049)	
Financial liabilities at amortised cost-due to depositors	350	6,076	
Financial liabilities at amortised cost-due to other borrowers	(91)	(1,154)	
Other liabilities	127	(9)	
Net cash generated from operating activities before Income Tax	(286)	3,535	
Income Taxes Paid	(147)	(121)	
Net Cash from Operating Activities	(433)	3,414	
Cash flows from investing activities			
Dividend Received	23	29	
Proceeds from the sale of property, plant and equipment	-	1	
Purchase of Property, Plant & Equipment	(21)	(14)	
Net Proceeds from the sale & maturity of financial investments	415	(3,410)	
Net cash (used in)/ from investing activities	417	(3,394)	
Cash flows from financing activities			
Repayment of subordinated debt	-	-	
Payments to Consolidated Fund	-	-	
Net cash from financing activities	-	-	
Net increase/(decrease) in cash & cash equivalents	16	20	
Cash and cash equivalents at the beginning of the period	128	109	
Cash and cash equivalents at the end of the period	112	128	
Reconciliation of Cash and Cash Equivalents			
Cash and Short Term Funds	144	196	
Government of Sri Lanka Treasury Bills	-	-	
Borrowings from Banks (OD)	(31)	(67)	
Cash and cash equivalents at the end of the period	112	128	

Analysis of Financial Instruments by Measurement Basis - Bank Current Year 2021					Rs. 'Mn	
	AC	FVPL	FVOCI	Total		
ASSETS						
Cash and cash equivalents	144			144		
Placements with banks	11,779			11,779		
Loans and advances	38,266			38,266		
Debt instruments	-			-		
Reverse Repos	716			716		
Treasury Bills	893			893		
Treasury Bonds	383			383		
Unit Trusts		25		25		
Unquoted Shares			5	5		
Total financial assets	52,181	25	5	52,212		
LIABILITIES						
Due to Banks	31			31		
Financial liabilities						
- Due to depositors	45,738			45,738		
- Due to debt security holders	-			-		
- Due to other borrowers	270			270		
Total financial liabilities	46,040			46,040		

Analysis of Financial Instruments by Measurement Basis - Bank Previous Year 2020					Rs. 'Mn	
	AC	FVPL	FVOCI	Total		
ASSETS						
Cash and cash equivalents	196			196		
Placements with banks	11,812			11,812		
Loans and advances	36,952			36,952		
Debt instruments	-			-		
Reverse Repos	1,434			1,434		
Treasury Bills	815			815		
Treasury Bonds	166			166		
Unit Trusts		21		21		
Unquoted Shares			5	5		
Total financial assets	51,375	21	5	51,401		
LIABILITIES						
Due to Banks	67			67		
Financial liabilities						
- Due to depositors	45,388			45,388		
- Due to debt security holders	-			-		
- Due to other borrowers	348			348		
Total financial liabilities	45,804			45,804		

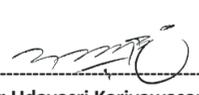
Ratio Analysis as at 31/12/2021		31/12/2021	31/12/2020
Regulatory Capital (LKR 'Mn) Basel III			
Common Equity Tire - 1		5,777	5,785
Tier - 1 Capital		5,777	5,785
Total Capital		6,070	6,077
Regulatory Capital Ratios (%)			
Common Equity Tire 1 Capital Ratio (Minimum Requirement 7%)		21.49	21.58
Tier 1 Capital Ratio (Minimum Req 8.5%)		21.49	21.58
Total Capital Ratio (Minimum Req 12.5%)		22.57	22.67
Leverage Ratio %		10.57	10.16
Regulatory Liquidity			
Stat Liquid assets Rs Mn		13,652	15,482
Stat Liquid assets Ratio (Minimum req-20%)		32.58	37.29
Total Stock of High Quality Liquid Assets Rs.Mn		1,849	1,579
Liquidity Coverage Ratio (LCR) (Minimum req-100%)		115.00	116.00
Net Stable Funding Ratio (Minimum req-100%)		136.00	138.00
Gross NPL %		19.84	22.94
Net NPL %		16.56	20.25
Gross NPL Exclu. EPF %		9.19	10.71
Net NPL Exclu. EPF %		5.27	7.39
Interest Margin %		4.33	4.24
Return on Assets (before Tax) %		1.08	1.15
Return on Equity %		6.06	6.09
Number of Branches		25	25
Number of Employees		365	369
Impaired Loans (Stage 3) Ratio (%)		19.9	22.1
Impairment (Stage 3) to Stage 3 Loans Ratio (%)		11	8

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021								
	Contributed Capital	Statutory Reserve	Capital Reserve	General Reserve	Title Indemnity Fund	Retained Earnings	AFS Reserve	Total
Balance as at 31/12/2019	890	271	393	683	1	3,420	-	5,659
Net Profit for the Year						23		23
Deemed Dividend Tax						356		356
Other Comprehensive Income						(18)		(18)
Transfer During the Year		13				(13)		-
Transfer to Consolidated Fund						-		-
Balance as at 31/12/2020	890	284	393	683	1	3,768	-	6,020
Prior Year adjustments						1		1
Net Profit for the year						376		376
Deemed dividend Tax over Payment						-		-
Other Comprehensive Income						10		10
Transfer During the Year		19				(19)		-
Transfer to Consolidated Fund						-		-
Balance as at 31/12/2021	890	303	393	683	1	4,137	-	6,407

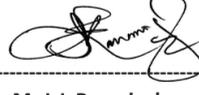
Certification:

(a) the above Statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.

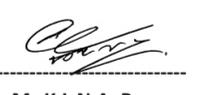
(b) the information contained in these statements have been extracted from the unaudited Financial Statements of the Bank.



Dr. Udayasri Kariyawasam
Chairman



Mr. L.I. Ranasinghe
Actg. General Manager / CEO



Mr. K.L.N.A. Perera
Assistant General Manager (Finance)

25th February 2022